

**CONFIDENTIAL**

11 JUN 1963

**MEMORANDUM FOR : Director of Personnel**

**SUBJECT : Processing of Unvouchered Retirement Records**

**REFERENCE : Your memo to DD/S; Subject: Follow-up on Retirement Matters; dated 6 May 1963**

1. In transmitting the referenced report to the DD/S, you included a routing sheet comment to the effect that you were not convinced that Finance Division must require an average of 90 days per case (as indicated in paragraph 5 of the referenced report) and that you were asking me to look into this further to determine whether any time savings could be realized by giving Finance Division advance notice of pending cases.

2. Let me say at the outset that the 90 day due date referred to in reference was suggested as an average only. There are instances when Finance Division can complete its processing and release retirement records in less time, and it has actually done so on a regular basis. The 90 day due date was selected only to allow for additional time that may be needed to resolve problems that are usually associated with and are peculiar to unvouchered personnel and which often are responsible for processing delays—delays which, it appears, cannot be avoided by advance notice to Finance Division of impending separation. For example, a cable is received announcing that an [REDACTED] plans to resign and marry upon completion of her tour and return to the U. S. Unless drastic changes are made in current procedures, the cable notice of planned resignation—received sometimes weeks and months in advance—does not result in an earlier settlement of accounts and release of retirement records since Finance Division must still wait for the field to transmit

[REDACTED]

Settlement of final pay and release of retirement records must be delayed until all outstanding items have been identified and resolved. To do otherwise would create more problems than would be avoided by earlier release of retirement records. [REDACTED]

[REDACTED]

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4. One additional and inherent peculiarity should be noted on the processing time required to release unvouchered retirement records—the four week UV pay period. Once the final pay and clearance information has been received, processing of retirement records will vary from a minimum of 5 to a maximum of 9 weeks depending on when the final data is received. UV personnel must wait one full 4 week pay period before receiving pay for the previous period of work. Thus, if a UV employee resigns in the first week of a pay period, (and assuming that all accounts are clear) he must not only wait for the balance of that pay period, 3 weeks, but an additional 4 weeks before final retirement processing can be completed. The result in this example is that 7 weeks have passed before the retirement record can be released.

5. The attention devoted to the processing of retirement records in the last 6 months has certainly resulted in a significant improvement in vouchered cases. It is only fair to say that the Finance Division is also making every effort to improve processing time in unvouchered cases. With our continuing suspense and follow-up system in both vouchered and unvouchered cases, we are maintaining specific controls on the retirement records for employees who have requested refunds or who are retiring, cases which are our first concern, and we will be sure to keep these individuals informed should any unforeseen or untoward delay be encountered. We note with some satisfaction that since the January meeting with the DD/S and Comptroller representatives, not one letter of complaint has been received concerning delays in receiving a retirement refund or annuity. We are doing everything possible to make such letters never again necessary.

**Chief, Benefits and Services Division**

Distribution:  
0 & 1 - Addressee  
1 - C/BSD  
1 - AC/BCB

OP/BSD/ bhd (11 June 1963)

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*Retiree*

### EXPANDED CONCEPT OF DISABILITY RETIREMENT

1. In 1959 the Office of Personnel initiated discussions with the Bureau of Retirement and Insurance, Civil Service Commission, on certain special situations involving Agency employees who while able to perform headquarters duties had been declared ineligible for overseas assignment. The purpose of these discussions was to get the BRI to consider and ultimately approve a new concept of disability retirement.

2. At first, Personnel's inquiry was directed to cover the Commo Tech employment situation. Commo Techs are primarily hired for service overseas and even though they might be qualified to perform certain departmental positions, the Office of Communications could not provide such assignments. Consequently, Commo Techs generally who cannot serve overseas are lost to the Office of Communications. For this employee category, the following hypothetical situation was submitted to BRI:

"The Agency recruits and trains an employee specifically for overseas assignment although he may have skills that qualify for certain departmental positions. At some point in time, either before overseas assignment or after an overseas assignment, he is medically disqualified for failing to meet Agency standards for overseas assignment although he is medically qualified for departmental duty. Does the employee qualify for disability retirement?"

3. The hypothetical situation was reviewed by BRI including its Medical Director. Later, we were told that the employee in our hypothetical situation did qualify for disability retirement. The rationale that we had proposed was accepted by BRI:

Since the employee fails to meet the Agency's rigid medical standards for overseas duty in a specific employment capacity and since the employee's principal value to the Agency is in that same employment capacity, he is, in effect, disabled even though he technically qualifies for other departmental positions.

4. Subsequently, the Office of Personnel decided that the rationale used to present the Commo Tech hypothetical situation applied as well to a majority of the Clandestine Services careerists. Personnel then went back to BRI with the following hypothetical situation:

"The Agency recruits and trains an employee for a service that will include assignment both in headquarters and overseas. The Agency expects this employee to rotate regularly between headquarters and overseas, e. g., one tour overseas and one or two tours in headquarters, then another tour overseas, etc. At some point, the employee is medically disqualified for overseas duty, making impossible the contemplated rotation. Without such rotation, the employee's value to the Agency may diminish. Does he qualify for disability retirement? "

5. Again BRI considered the rationale and the content of the hypothetical situation and ultimately informed the Office of Personnel that the employee in this second situation also qualifies for disability retirement on the basis that rotation is a basic part of the employee's employment and a medical problem disrupts prescribed rotation.

6. As far as the Agency was concerned, these were significant changes in concept and opened up an entire new area of benefits for employees who fulfilled the requirements.

7. The new concept was not used for some period of time. It did become the basis on which [REDACTED] applied for disability retirement. [REDACTED] application was approved and is the first and only case processed under the new concept. 25X1A

SENDER WILL CLASSIFY MESSAGE  
 UNCLASSIFIED CONFIDENTIAL SECRET

CENTRAL INTELLIGENCE AGENCY  
 OFFICIAL ROUTING SLIP

| TO | NAME AND ADDRESS                          | DATE | INITIALS |
|----|---|------|----------|
| 1  | Mr. [REDACTED]<br>O/IG, 2E42 Headquarters |      |          |
| 2  |   |      |          |
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| COMMENT     | FILE         | RETURN         |
| CONCURRENCE | INFORMATION  | SIGNATURE      |

Remarks:

Bob:

Attached is a summary of the new concept of disability retirement and appropriate memos for the record covering our past development of this concept. If you need any more for your briefing at the IG staff meeting, please let me know right away so we can try to supply it for you.

FOLD HERE TO RETURN TO SENDER

| FROM: NAME, ADDRESS AND PHONE NO.        | DATE |
|--|------|
| C/BSO<br>5E47 Headquarters<br>[REDACTED] |      |

This Notice Expires 1 October 1960

N [REDACTED]

NOTICE

NO. [REDACTED]

PERSONNEL

5 January 1960

CIVIL SERVICE RETIREMENT

AGENCY RETIREMENT BOARD

1. In the interests of sound and equitable personnel management, an Agency Retirement Board is hereby established. It will be the responsibility of the Board to expand the retirement program within the Agency to include:

a. The counseling of all employees who have reached voluntary retirement age and those who are about to reach that age concerning their accrued benefits, privileges, and obligations.

b. Discussion with the employee of his plans to retire.

c. The systematic review of the retirement plans of each such employee.

2. The Board will act on the understanding that it is the practice in this Agency that an employee will normally retire when he becomes eligible for retirement unless he is asked to remain in service. In reaching decisions the Board will give full consideration to the personal plans, preferences, and circumstances of each employee.

3. The following appointments to the Board are hereby made:

- [REDACTED]
- Chairman
  - Member
  - Member

4. Employees who are still in Government service on 1 July 1960 will be eligible to participate in the health insurance plans provided for in recent legislation. While there is no authority for deferring mandatory age retirement to enable an employee to obtain this benefit, any employee considering optional retirement before 1 July 1960 should be advised regarding the benefits of the plan and his eligibility to participate by remaining in service.

5. The provisions of this notice should not be construed as pressing for optional retirement of an individual before 1 July 1960 if by retiring he foregoes benefits of real value to him.

ALLEN W. DULLES

Director of Central Intelligence

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b. **POLICY.** The Agency encourages employees to retire voluntarily as soon as they are eligible to do so under the Civil Service Retirement System. Employees are, therefore, expected to plan to retire upon completing 30 years' service at the age of 60, or after five or more years of service at the age of 62, except when requested by the Agency to remain in service.

✓ c. **RETIREMENT BOARD.** The CIA Retirement Board is established to ensure uniform application of the retirement policy in subparagraph b above, and in cases of unusual circumstances to act on appeals connected therewith. The board is composed of ~~three~~ <sup>five</sup> members appointed by the Director of Central Intelligence. The Office of Personnel provides administrative support to the board.

d. **DEPUTY DIRECTORS.** <sup>and HIO's</sup> Deputy Directors shall determine for individual employees under their jurisdiction whether or not it is desirable, because of skills or other qualifications which are needed and should be preserved for the Agency, to retain them beyond the normal retirement date established by Agency policy. They shall ensure that supervisors discuss retirement plans with employees two years before the projected retirement date and shall review each case annually thereafter.

e. **OFFICE OF PERSONNEL.** The Office of Personnel provides staff guidance, administrative support, and counseling services in connection with the Civil Service Retirement System. The Office of Personnel shall:

(1) Inform employees five years before their eligibility for retirement of the Agency's retirement policy and the various benefits and services available to them, at the same time providing the names of these employees to the appropriate Deputy Directors.

(2) Conduct a preretirement counseling program for Agency personnel which will:

(a) Provide the opportunity for employees to obtain advice and counsel regarding personal problems, accrued benefits, privileges, and obligations pertaining to retirement.

(b) Assist employees, as retirement approaches, in developing both pre-retirement and postretirement plans.

(3) Process applications in connection with civil service retirement for Agency personnel, including applications requiring secure processing and applications for refunds requiring internal processing.

(4) Make available within the Agency general information concerning retirement and furnish specific information as requested. For security reasons, Agency personnel will be expected not to contact the Civil Service Commission directly.

<sup>Office of Finance</sup>  
f. **THE COMPTROLLER.** <sup>The O/Fin</sup> The Comptroller maintains records of and withholds retirement deductions, and makes payment of direct refunds as authorized by the Director of Personnel.



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OFFICIAL ROUTING SLIP

| TO | DATE        | INITIALS |
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| 1  | 13 JAN 1969 |          |
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DD/Pers/S&P  
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| APPROVAL    | DISPATCH     | RECOMMENDATION |
| COMMENT     | FILE         | RETURN         |
| CONCURRENCE | INFORMATION  | SIGNATURE      |

Remarks: Confusing isn't it?  
Decision in 59  
Ref. Bd. in 60 - but no mention  
of 60.30 etc.  
Finally, Nov. 61 we have  
Reg. - Thanks HJK

|   |              |
|---|--------------|
| FOLD HERE TO RETURN TO SENDER   |              |
| FROM: NAME, ADDRESS AND PHONE NO.   | DATE         |
|  | 9 JAN 1969   |
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